

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>AN EXAMINATION BY THE PUBLIC SERVICE</b>	<b>)</b>	
<b>COMMISSION OF THE APPLICATION OF THE</b>	<b>)</b>	
<b>FUEL ADJUSTMENT CLAUSE OF KENTUCKY</b>	<b>)</b>	<b>CASE NO. 10439-C</b>
<b>UTILITIES COMPANY FROM NOVEMBER 1,</b>	<b>)</b>	
<b>1989 TO APRIL 30, 1990</b>	<b>)</b>	

**O R D E R**

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on June 21, 1990 established this case to review and evaluate the operation of the fuel adjustment clause of Kentucky Utilities Company ("KU") for the 6 months ended April 30, 1990.

As part of its review, the Commission ordered KU to submit certain information concerning its fuel procurement, its fuel usage, and the operation of its fuel adjustment clause. KU submitted this information on July 13, 1990. A public hearing was held in this case on August 9, 1990, at which Robert M. Hewett, Gerhard Haimberger, Wayne T. Lucas, and Michael Robinson, KU officials, testified.

The Commission has previously fixed KU's base fuel cost at 14.79 mills per Kwh.<sup>1</sup> The Commission's review of KU's monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 12.68 mills in March 1990 to a high of 14.33 mills in April 1990, with a 6-month average of 13.33 mills.

The Commission's review of the record in this case, the coal market conditions during this period, and the data filed in support of the fuel adjustment clause rates indicate that the actual fuel costs included in the monthly fuel adjustment clause filings were reasonable.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that KU has complied in all material respects with the provisions of Commission Regulation 807 KAR 5:056.

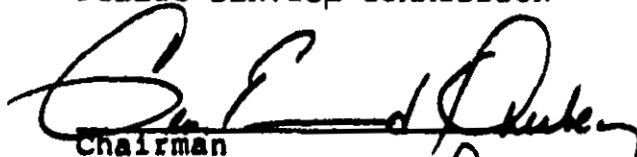
IT IS THEREFORE ORDERED that the charges and credits billed by KU through the fuel adjustment clause for the period November 1, 1989 to April 30, 1990 be and they hereby are approved.

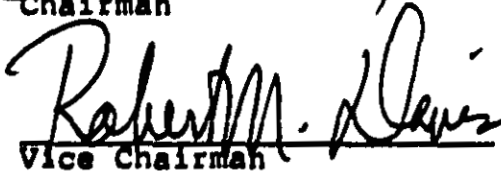
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<sup>1</sup> Case No. 10439, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 1986 to October 31, 1988.

Done at Frankfort, Kentucky, this 20th day of September, 1990.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director